Historic, archived document

Do not assume content reflects current scientific knowledge, policies, or practices.

Ag84L
Card enter Farm Mgt
New Price: 35¢
432

WHERE AND HOW TO GET A FARM

Some Questions and Answers

Leaflet No. 432

U. S. DEPARTMENT OF AGRICULTURE

WHERE AND HOW TO GET A FARM

Some Questions and Answers

FINDING FARMLAND

Private Land

1. *What farms are available?*

Almost all the farms and farm tracts available are privately owned and must be bought from the owners. About 80,000 farms and farm tracts are sold every year. Very little Government homestead land suitable for farming is available. (See section on Public Land.)

2. *Where can I find out what farms are for sale?*

From advertisements in farm journals and local newspapers, farm real estate dealers, county agricultural agents, and similar local sources. The Federal Government has no list of farms for sale.

3. *What about land for part-time farming?*

Within a short distance of most towns and industrial centers there is a considerable acreage of privately owned land from which a small tract might be bought and developed as a part-time farm or rural home. Usually, these small sites are not meant to be *self-supporting*. They are paid for mainly from outside income. Consequently, the purchase and improvement of such a place may have to be financed simply as a home. In some instances, where the purchaser derives most of his income from farm products, the part-time farm can be financed as a farm unit.

Development of New Farmland

4. *What about the development of new farming areas?*

Drainage and improvement of cut-over lands could open up enough land for several thousand farms in the Mississippi Delta and in scattered areas throughout the country. Such land is usually developed by private enterprise. The land must be sought out and purchased from the owners.

Some farm tracts are made available each year on western irrigation projects of the Bureau of Reclamation, U. S. Department of the Interior. The number of available tracts depends on the

---

The Department of Agriculture receives numerous requests for information from persons who want to farm. Many want information about special problems. But, in addition, nearly all want to know (1) where to get farms, and (2) how to get help in acquiring them. The primary purpose of this leaflet is to answer those two questions.

progress of construction of irrigation facilities.

5. *What kind of land is made available through Bureau of Reclamation projects?*

The Bureau's irrigation or reclamation projects make available (1) a few remaining tracts of public land that may be homesteaded when water is made available; (2) lands acquired by the Government on reclamation projects and offered for sale as soon as water is supplied; and (3) privately owned land on reclamation projects offered for sale by the owners when the irrigation projects are completed. Before buying privately owned land within a reclamation project area, check with the project manager to make sure the land actually will get water.

Public Lands

6. *Can I get a free homestead?*

Probably not. Very little public land suitable for farming is left in the continental United States. The Federal homestead laws are still on the books, but public lands have been pretty well picked over.

7. *If I locate a tract of public land, may I farm it?*

Yes, provided the land has been classified by the Bureau of Land Management of the Department of the Interior as suitable for farming.

8. *May I ask someone else to locate a tract for me?*

Yes. But before a homestead is granted, you must swear that you have personally examined the land.

9. *What are the chances of locating a tract suitable for farming?*

On the average, only about a hundred tracts of public land a year are classified as suitable for farming. Most such available tracts are in the rough. Before you could make a living from one of them, you would have to do a lot of hard work and spend considerable time and money.

10. *Is it possible to buy a small tract of public land?*

Yes. A few small tracts are available from time to time. However, most such land is in semiarid areas in the Western States.

11. *What about a farm in Alaska?*

Some land in Alaska may be homesteaded, some may be leased, and some may be bought. Before going there to live, get information about the climate, farming conditions, and markets in the area in which you are interested.

12. *What are the chances for success on an Alaskan farm?*

Certain areas in Alaska are suitable for farming, but the land may have to be cleared and chances for success are limited by lack of markets and transportation facilities. Alaska exports few farm products. The main demand for these products is local, and comes from the military and from local communities.

13. *Where can I get information about homesteading, or buying or leasing public lands?*

Write to the Bureau of Land Management, Department of the Interior, Washington, D.C. 20240.

GETTING INFORMATION AND ADVICE

14. *Where can I get help in making up my mind about farming?*

The Department of Agriculture issues numerous publications that would be of assistance in helping you decide

whether you want to farm, where to farm, and the type of farming to follow.

15. *Where can I obtain information about special farm enterprises, such as rabbit production?*

Get information about the production of rabbits, pen-raised fur animals, guinea pigs, and white rats and mice from the Department of Agriculture. Get information about wild fur animals, game birds, and fish culture from the Fish and Wildlife Service, U.S. Department of the Interior, Washington, D.C. 20240. Before undertaking any special enterprise, study the subject thoroughly, particularly if the enterprise is planned for a profit.

16. *Where can I get information and advice if I know the State in which I want to farm?*

Get in touch with the State college of agriculture; the State director of the Extension Service, usually located at the college; or the State agricultural experiment station, which usually has an office at the college. (Addresses are listed on the last page.)

17. *Where can I get assistance if I know the county in which I want to farm?*

Get in touch with the county agricultural agent. He is usually located at the county seat, or you can get his address from the State extension director. He can give you information about any particular farm or farms in the county in which you may be interested. He, or a committee of county farmers who work with him, also can give you information about farms for sale or rent in the county, crops suitable to the county, local farming practices, how much debt is safe, how to rent a place, and the size of farm necessary to support a family.

FINANCING THE FARM

Regular Loans

18. *Who can advise about loans?*

The county agricultural agent can give you preliminary suggestions about loans. But when you are seriously considering buying a particular farm, talk with representatives of lending agencies in the county.

19. *Where can I get a loan?*

If you have the downpayment there are several credit sources available such as the Federal Land Bank, commercial banks, insurance companies, farm mortgage companies, and individual lenders. (The usual downpayment is $\frac{1}{4}$ to $\frac{1}{2}$ of the appraised value of the farm.) The person selling the farm may accept a purchase-money note if the payments are satisfactory.

20. *How do I apply for a Land Bank loan?*

A Land Bank loan is obtained through one of the Federal Land Bank Associations. These associations are local cooperatives set up by farmers to handle the loans. There are about 600 of these associations, serving all agricultural counties. Apply for a loan to the association serving the county in which the farm you want to buy is located. You can obtain the address from the county agent or the Farm Credit Administration, Washington, D.C. 20578.

21. *How do I apply for a loan from other sources?*

Loans from commercial banks, insurance companies, farm mortgage companies, and individual lenders are obtained by applying to their local offices or local representatives in the county in which the farm you want to buy is located. Local banks and

farm real estate dealers often serve as loan correspondents for life insurance or farm mortgage companies.

FHA Loans

22. ***How may I get a loan if I cannot make the usual downpayment?***

If you are experienced or trained in farming, but cannot make the usual downpayment, you may qualify for a loan under the Farmers Home Administration Farm Ownership Program. If you are a veteran of World War II, the Korean conflict, or have had military service after January 31, 1955, you may also qualify for a loan under the Loan Guaranty Program administered by the Veterans Administration, provided you can find a lender who is willing to make a GI loan.

23. ***What loans are made by the Farmers Home Administration?***

The Farmers Home Administration makes and insures 40-year loans for the purchase, enlargement, or development of farms no larger than family farms. Most loans are made from funds advanced by private lenders and insured by the Government. The amount of the loan may not exceed the market value of the farm minus any debts against the farm. In no case may the farm ownership loan plus debts of other lenders against the farm exceed $225,000.

24. ***What are the eligibility requirements for a Farmers Home Administration loan?***

You must be a United States citizen and unable to obtain suitable credit from other sources. In addition, you must be certified by the county committee as being qualified to farm. Veterans' applications are given preferential consideration.

25. ***Does the Farmers Home Administration make loans to buy small farms?***

Yes, if the applicant is otherwise eligible, has dependable off-farm income, and continues farming.

For more information about—	*Write to—*
Public lands	Bureau of Land Management, Department of the Interior, Washington, D.C. 20240. Manager, Land Office, Anchorage, Alaska 99501. Manager, Land Office, Fairbanks, Alaska 99701.
Climate, farming conditions, and markets in Alaska.	Director, Alaska Agricultural Experiment Station, Palmer, Alaska 99645.
Land Bank loans	Farm Credit Administration, Washington, D.C. 20578.
Farmers Home Administration loans	Farmers Home Administration, Department of Agriculture, Washington, D.C. 20250.

26. *Where do I apply for a Farmers Home Administration loan?*

Apply to the Farmers Home Administration office in your county-seat town. If there is no local office in your county, write to the Farmers Home Administration, U.S. Department of Agriculture, Washington, D.C. 20250.

GI Loans

27. *What is the Loan Guaranty Provision of the "GI Bill of Rights"?*

It is a provision that makes it easier for veterans of World War II, the Korean conflict, and the period after January 31, 1955, to obtain loans from private lending agencies. The Veterans Administration will guarantee part of a loan to a veteran to buy farmland, livestock, and equipment, or to improve or operate a farm. Unremarried widows of persons who met the military service requirements and died, in service or after discharge, from service-connected injury or disease, also are eligible.

28. *How does the Loan Guaranty Provision work?*

The Veterans Administration may guarantee a farm loan (including a house to be occupied by the veteran as his residence) to the extent of 60 percent of the loan or $12,500, whichever is less. For a farm real estate loan other than for the acquisition of a home, the guaranty may not exceed $4,000, or 50 percent of the loan; and for nonreal estate farm loans, the guaranty may not exceed $2,000, or 50 percent of the loan. Farm real estate loans may be repaid over periods not exceeding 40 years. Nonreal estate loans are repaid in 10 years or less.

29. *How much can I borrow under the Loan Guaranty Provision?*

There is no limit on the size of the loan; that is up to the lender. But the total guaranty for any one veteran is limited as stated in the answer to question 28. You should, of course, guard against assuming too large a debt.

30. *As a veteran am I automatically eligible for a loan under the Loan Guaranty Provision?*

No. You must know how to farm; you must be able to locate a productive farm at a reasonable value—as determined by an appraiser approved by the Veterans Administration; and you must satisfy the lending agency that you will be able to operate the farm on a sound basis.

31. *Where should I apply for a loan under the Loan Guaranty Provision?*

Apply to the lending agency from which you expect to get the loan. The agency will explain any regulations pertaining to your particular case and help you make proper application for a loan.

32. *What if a particular lending agency refuses to grant me a loan?*

Apply to other lending agencies. Even though one lender may turn down

your application. another may be willing to grant you a loan. Also, a lender may turn down your request for a loan on one piece of property and be willing to make a loan on a different piece of property.

PUBLICATIONS

To obtain copies of the following publications, write to the agency by which they are published.

Farm Financing

Farm Ownership Loans, PA–62, Farmers Home Administration, U.S. Department of Agriculture, Washington, D.C. 20250.

The Federal Land Bank System—How It Operates. Circular 35. Farm Credit Administration, Washington, D.C. 20578.

The Cooperative Farm Credit System, Circular 36. Farm Credit Administration. Washington, D.C. 20578.

Farm Real Estate Market Developments, U.S. Department of Agriculture, Washington, D.C. 20250.

For sale by the Superintendent of Documents, U.S. Government Printing Office
Washington, D.C. 20402 - Price 35 cents
Stock Number 001–000–03649–1
There is a minimum charge of $1.00 for each mail order

ADDRESSES OF STATE EXTENSION SERVICE DIRECTORS

ALABAMA: Auburn University, Auburn 36830
ALASKA: University of Alaska, Fairbanks 99701
ARIZONA: University of Arizona, Tucson 85721
ARKANSAS: P.O. Box 391, Little Rock 72203
CALIFORNIA: 2200 University Avenue, Berkeley 94720
COLORADO: Colorado State University, Fort Collins 80521
CONNECTICUT: University of Connecticut, Storrs 06268
DELAWARE: University of Delaware, Newark 19711
FLORIDA: University of Florida, Gainesville 32611
GEORGIA: University of Georgia, Athens 30601
HAWAII: University of Hawaii, Honolulu, 96822
IDAHO: University of Idaho, Moscow 83843
ILLINOIS: University of Illinois, Urbana 61801
INDIANA: Purdue University, Lafayette 47907
IOWA: Iowa State University, Ames 50010
KANSAS: Kansas State University, Manhattan 66506
KENTUCKY: University of Kentucky, Lexington 40506
LOUISIANA: Louisiana State University, Baton Rouge 70803
MAINE: University of Maine, Orono 04473
MARYLAND: University of Maryland, College Park 20742
MASSACHUSETTS: University of Massachusetts, Amherst 01002
MICHIGAN: Michigan State University, East Lansing 48823
MINNESOTA: University of Minnesota, St. Paul 55101
MISSISSIPPI: Mississippi State University, Mississippi 39762
MISSOURI: University of Missouri, Columbia 65201
MONTANA: Montana State University, Bozeman 59715
NEBRASKA: University of Nebraska, Lincoln 68503
NEVADA: University of Nevada, Reno 89507
NEW HAMPSHIRE: University of New Hampshire, Durham 03824
NEW JERSEY: Rutgers—The State University, New Brunswick 08903
NEW MEXICO: New Mexico State University, Las Cruces 88001
NEW YORK: New York State College of Agriculture, Ithaca 14853
NORTH CAROLINA: North Carolina State University, Raleigh 27607
NORTH DAKOTA: North Dakota State University, Fargo 58102
OHIO: Ohio State University, 2120 Fyffe Road, Columbus 43210
OKLAHOMA: Oklahoma State University, Stillwater 74074
OREGON: Oregon State University, Corvallis 97331
PENNSYLVANIA: The Pennsylvania State University, University Park 16802
PUERTO RICO: University of Puerto Rico, Rio Piedras 00928
RHODE ISLAND: University of Rhode Island, Kingston 02881
SOUTH CAROLINA: Clemson University, Clemson 29631
SOUTH DAKOTA: South Dakota State University, Brookings 57006
TENNESSEE: University of Tennessee, P.O. Box 1071, Knoxville 37901
TEXAS: Texas A&M University, College Station 77843
UTAH: Utah State University, Logan 84321
VERMONT: University of Vermont, Burlington 05401
VIRGINIA: Virginia Polytechnic Institute, Blacksburg 24061
WASHINGTON: Washington State University, Pullman 99163
WEST VIRGINIA: Coliseum, West Virginia University, Morgantown 26505
WISCONSIN: University of Wisconsin, Madison 53706
WYOMING: University of Wyoming, Box 3354, University Station, Laramie 82070

This leaflet was prepared by the Economic Research Service. It supersedes Leaflet 299, "Some Questions and Answers on Where and How to Get a Farm."

Washington, D.C.

Revised October 1967
Slightly revised January 1977

U.S. GOVERNMENT PRINTING OFFICE : 1977 O—228-005